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April 30, 2003 LB 622

LB 622.

SENATOR RAIKES: Thank you, Mr. President, members of the Legislature. LB 622 is a bill that deals with the County Property Tax Relief Program. This is a program that's been in effect for a few years, not a long time. In effect, it's a program that was designed to provide property tax relief to counties on the basis of valuation per road mile, an effort to help counties fund their various operations. I think the road mile thing was simply a criteria to kind of determine county costs, if you would. This bill really does two things to that program. First it's, I should mention, it's a combination of a bill I introduced, which was LB 622, and a bill introduced by Senator Thompson and I don't remember the number of that bill. But her bill, in effect, ended or terminated, if you will, the...discontinued is a better word, the program, the County Property Tax Relief Program for the two years of the upcoming budget biennium. The LB 622 portion instituted a property...or, excuse me, a minimum levy provision to the program which would begin to take effect then once the program was reinstituted in 2005-2006, the first year beyond the biennium for which we're budgeting. I can say quickly that the minimum levy penalty provision part of the proposal is blatantly stolen, I guess, from the state aid formula, the school state aid formula, the idea being this; that the provision of schools in the case...or providing for funding of schools, in the case of schools, is a joint state-local operation. The state is there to provide support for the school system to match or in cooperation with support provided locally. If the local support falls below a certain level, then so does the state support. This same idea is applied to the County Property Tax Relief Program. So, in essence, what would happen here is there would be two years of the upcoming budget biennium which there would be no funds going to the County Property Tax Relief Program. After that, the program would be reinstated but with a minimum levy penalty. I don't, right at the moment, have the fiscal impacts of that available, but I'll try to get them. And maybe I'll stop right here so that Senator Landis can discuss the bill further. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. There are